RECORD AND BRIEFS.

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In the Supreme Court of the United States

MICHELLE K. LEE, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, UNITED STATES PATENT AND TRADEMARK OFFICE, PETITIONER

v.

SIMON SHIAO TAM

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

REPLY BRIEF FOR THE PETITIONER

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The statutory provision at issue, 15 U.S.C. 1052(a), does not restrict speech. Instead, it declines to assist, and declines to associate the federal government with, marks containing disparaging terms. Congress sensibly chose not to spend federal resources on encouraging the use of racial epithets, religious insults, and profanity as trademarks—especially because, as part of the federal program, the United States Patent and Trademark Office (PTO) publishes registered marks and issues registration certificates, which are transmitted to foreign nations. In a variety of settings, this Court has recognized Congress's broad authority to grant or withhold assistance to private speakers, or to decline to associate the government with messages that Congress finds objectionable. These principles apply here.

Perhaps the most striking feature of respondent's brief is its unwillingness to acknowledge *any* federal power to withhold the benefits of federal trademark registration from marks within categories that Congress views as inappropriate to indicate source. Although respondent asserts an intent to "appropriat[e]" a racial slur and to "us[e] it as a badge of pride" (Br. 13), his First Amendment theory would apply equally to slurs used with disparaging intent. Under that theory, the PTO would be required to confer the benefits of registration on, and incorporate into its own communications, the vilest racial, sexual, and religious slurs.

Although the First Amendment gives respondent broad latitude to use racial slurs in his own communications, it does not require the government to assist him in that endeavor. The court of appeals therefore erred in facially invalidating Section 1052(a)'s disparagement provision. Respondent's statutory-construction and vagueness arguments also lack merit. The judgment of the court of appeals therefore should be reversed.

A. Section 1052(a)'s Disparagement Provision Does Not Burden Speech

1. Section 1052 defines the categories of marks that are "registrable on [the] principal register." 15 U.S.C. 1052. If a mark does not meet the criteria established by Congress, the only consequence is that it is refused registration. Although denial of registration renders certain federal benefits unavailable, it "does not affect the applicant's right to use the mark." *In re Boulevard Entm't, Inc.*, 334 F.3d 1336, 1343 (Fed. Cir. 2003); see Gov't Br. 21-22.

Respondent therefore is "free to spread his chosen message to all who would listen without fear of government intervention or reprisal." Pet. App. 120a (Reyna, J., dissenting). Respondent may use THE SLANTS to identify his band and may invoke the federal cause of action and common-law protections to enforce his mark. See Gov't Br. 20-21 (citing 15 U.S.C. 1125(a)). Section 1052(a) simply renders unavailable certain additional legal benefits that federal registration of his mark would provide.

2. There is a fundamental constitutional difference between laws that regulate speech and laws that set parameters for participation in a government program. Gov't Br. 14-19. That distinction follows from the First Amendment's text, which "prohibits government from 'abridging the freedom of speech'" but "does not confer an affirmative right" to government assistance in speaking. *Ysursa* v. *Pocatello Educ. Ass'n*, 555 U.S. 353, 355 (2009) (quoting U.S. Const. Amend. I); see Gov't Br. 29 (citing additional cases). The government has much more flexibility when it does not "restrict" speech, but instead "declines to promote" it. *Ysursa*, 555 U.S. at 355; see Gov't Br. 28-31 (explaining that ineligibility for a government program is not itself a First Amendment burden).

To be sure, the provision of government funding or other assistance is not "invariably sufficient to justify Government control over the content of expression." *Rust* v. *Sullivan*, 500 U.S. 173, 199 (1991). For example, on types of public property that have traditionally been used for speech or expressive activity, particular restrictions have been held to violate the First Amendment despite the government's status as property

owner. See *id.* at 199-200. As respondent has acknowledged (C.A. En Banc Reply Br. 7, 9 n.6), however, the government has not created a forum here. The Principal Register and Supplemental Register are not places for mark owners to express themselves; they are official government reports of the results of the PTO's examination and registration of marks, in order to provide notice of the marks' ownership and use. And registration confers other advantages, and entails other forms of government participation, that bear no resemblance to public-forum settings.

Because there is no public forum here, cases such as *Rosenberger* v. *Rector & Visitors of University of Virginia*, 515 U.S. 819 (1995), are inapposite.[1] Nor has respondent identified any other basis for viewing trademark registration as "a traditional sphere of free expression so fundamental to the functioning of our society" that Congress's use of content-based distinctions is constitutionally proscribed. *Rust*, 500 U.S. at 200. Accordingly, "the general rule that the Government may choose not to subsidize speech applies with full force." *Ibid.*

3. Section 1052(a)'s disparagement provision is fundamentally different from laws this Court has found to "burden" speech. Respondent invokes (Br. 21) this Court's statement in *Sorrell* v. *IMS Health Inc.*, 564 U.S. 552, 566 (2011), that the government "may no[t]

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[1] Petitioner also cites (Br. 22-24, 34) *Forsyth County* v. *Nationalist Movement*, 505 U.S. 123 (1992), which addressed restrictions on parade permits that were "prior restraint[s] on speech" in a "public forum," *id.* at 126, 130 (citation omitted), and *Cornelius* v. *NAACP Legal Defense & Educational Fund, Inc.*, 473 U.S. 788 (1985), which addressed a charitable fundraising campaign the Court described as a "nonpublic forum," *id.* at 799-806.

silence unwanted speech by burdening its utterance." But *Sorrell* involved a prohibition on disclosure or use of information about pharmaceutical prescription practices, *id.* at 563-564, not the denial of a government benefit. The other decisions petitioner cites (Br. 23-25) likewise involved bans, restrictions, or financial penalties on speech.[2] Denial of federal trademark registration, by contrast, leaves respondent free to use the term "slants" or any other insult or racial epithet without fear of government sanctions.

Contrary to respondent's characterization (Br. 24), Section 1052(a) does not impose a financial burden on speech. Unlike the authors who were required to relinquish book profits under the law at issue in *Simon & Schuster, Inc.* v. *Members of the New York State Crime Victims Board*, 502 U.S. 105 (1991), respondent is no worse off as a result of the government's adoption of a voluntary trademark-registration program. Respondent has all of the rights to use the mark that he would have in the absence of that program. If respondent's view were correct, then every government decision to selectively fund exercise of a constitutional right could be characterized as a "burden" on that right.

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[2] See *Reed* v. *Town of Gilbert*, 135 S. Ct. 2218, 2224-2225 (2015) (banning display of certain signs); *Brown* v. *Entertainment Merchs. Ass'n*, 564 U.S. 786, 789 (2011) (ban on providing violent video games to minors); *Snyder* v. *Phelps*, 562 U.S. 443, 450 (2011) (tort liability for offensive funeral picketing); *R.A.V.* v. *City of St. Paul*, 505 U.S. 377, 380 (1992) (criminal ban on cross burning); *Simon & Schuster, Inc.* v. *Members of the N.Y. State Crime Victims Bd.*, 502 U.S. 105, 109-110 (1991) (law requiring authors to relinquish income from books about their crimes); *Texas* v. *Johnson*, 491 U.S. 397, 400 (1989) (criminal prosecution for flag burning); *FCC* v. *Pacifica Found.*, 438 U.S. 726, 730 (1978) (restriction on profanities).

B. Section 1052(a) Establishes Eligibility Criteria For A Government Program And Does Not Discriminate Based On Viewpoint

1. The basic purpose of the federal trademark-registration program is to facilitate commercial activity by providing enhanced legal benefits to certain marks that connect particular goods or services to their sources. See, *e.g.*, *Park 'N Fly, Inc.* v. *Dollar Park & Fly, Inc.*, 469 U.S. 189, 198 (1985). In creating that program, Congress precluded registration of generic, descriptive, and functional marks, as well as marks containing a person's name or likeness without consent, or a flag or national symbol, or scandalous or disparaging matter. Gov't Br. 22-23. The federal trademark-registration program has included these types of content-based restrictions for more than one hundred years. See Pet. App. 105a (Lourie, J., dissenting); Gov't Br. 23-24. Although the various restrictions on registrability serve somewhat different purposes, no one thinks that these restrictions are suspect simply because a person has a First Amendment right to use certain types of words. The federal registration program would be eviscerated if a vendor's First Amendment right to *use* particular words in labeling or advertising were held to imply a First Amendment right to *register* those words as trademarks.

Congress reasonably declined to associate the federal government with marks containing disparaging matter. The PTO publishes registered marks in official government publications and records them on the PTO's official register. See 15 U.S.C. 1051(a)(1), 1057(a), 1062, 1091. It also issues certificates of registration to mark owners "in the name of the United States," 15 U.S.C. 1057(a), and those certificates are

transmitted to other countries and to the World Intellectual Property Organization to facilitate enforcement abroad, see Paris Convention for the Protection of Industrial Property, Art. 6^{quinquies}, July 14, 1967, 21 U.S.T. 1643-1645, 828 U.N.T.S. 331, 333; see also 15 U.S.C. 1141b.

The government's association with a registered mark is by no means an incidental part of the trademark-registration program. Respondent identifies (Br. 19-20) various ways in which registration would strengthen his claim of ownership in the mark and enhance his ability to prevent others from using his mark. That assistance is available only because of the government's involvement in examining and publishing the mark. "[R]egistration serves as nationwide constructive notice of the registrant's claim of ownership," Resp. Br. 19 (citing 15 U.S.C. 1072), precisely because registered marks are listed in official government publications. "Registration constitutes prima facie evidence of the mark's validity and the registrant's exclusive right to use the mark," *ibid.* (citing 15 U.S.C. 1057(b) and 1115(a)), because a PTO examining attorney's determination that the prerequisites to registration are satisfied is entitled to weight. Respondent cannot obtain the advantages he seeks without the government's expending resources and becoming associated with the mark.

2. Respondent contends (Br. 30-31) that Section 1052(a)'s limitations "do not advance" the Lanham's Act purpose of promoting the identification of goods and services in commerce because disparaging marks can function effectively as source identifiers. But protecting and assisting consumers is one of the key goals of the federal trademark-registration system. See

Park 'N Fly, Inc., 469 U.S. at 198. Encouraging commercial actors to conduct business in a way that does not insult potential consumers furthers that objective. See Pet. App. 115a, 117a-118a (Reyna, J., dissenting) (explaining that use of disparaging terms "tends to disrupt commercial activity and to undermine the stability of the marketplace in much the same manner as discriminatory conduct"); see also Members of Congress Amicus Br. 5-6. The government likewise has an interest in encouraging marks that identify and promote a person's own goods and services without disparaging competitors. See *Greyhound Corp.* v. *Both Worlds, Inc.*, 6 U.S.P.Q.2d 1635, 1988 WL 252489, at *4-*5 (T.T.A.B. Mar. 30, 1988). And the government has a significant interest in preventing the incorporation of racial slurs and other insults into official federal records and publications.

Congress reasonably declined to provide federal incentives for commercial actors to identify their products with racial epithets, insults, or profanity. See Pet. App. 81a (Dyk, J., concurring in part and dissenting in part). This is not a restriction on respondent's behavior, but "a judgment by the Congress that such marks not occupy the time, services, and use of funds of the federal government." *In re McGinley*, 660 F.2d 481, 486 (C.C.P.A. 1981), overruled by Pet. App. 1a-122a. And while "preventing offense to listeners" (Resp. Br. 1) would be a constitutionally insufficient rationale for a *ban* on the use of disparaging language, Congress may seek to encourage the use of non-disparaging marks by making the benefits of federal registration unavailable for racial slurs and personal insults.

Respondent's apparent view is that, because the trademark-registration program was not designed to

convey any affirmative government message, registration of disparaging or otherwise offensive marks cannot undermine the program's operation. But there is no logical inconsistency between (a) Congress's general preference for non-disparaging trademarks, and (b) Congress's willingness to leave the choice of suitable marks, within broad parameters, to private commercial actors. And the interests of both private and governmental actors in disassociating themselves from language or symbols they find offensive are not limited to situations where those actors have a specific contrary message to convey. See *Walker* v. *Texas Div., Sons of Confederate Veterans, Inc.*, 135 S. Ct. 2239, 2253 (2015) (private organization "cannot force Texas to include a Confederate battle flag on its specialty license plates"); *Wooley* v. *Maynard*, 430 U.S. at 705, 715-717 (1977) (State could not require private motorist to display state motto on his license plate).

3. Respondent emphasizes (see, *e.g.*, Br. 35-37) that some trademarks, including THE SLANTS, have expressive aspects and/or are part of a larger expressive endeavor. The purpose of a trademark, however, is to identify source, and many of the most effective trademarks are fanciful, arbitrary, or suggestive terms that communicate nothing other than source. See *Wal-Mart Stores, Inc.* v. *Samara Bros., Inc.*, 529 U.S. 205, 212-213 (2000); see also 15 U.S.C. 1127. This Court has described trademarks as "commercial speech," which receives "a limited form of First Amendment protection." *San Francisco Arts & Athletics, Inc.* v. *United States Olympic Comm.*, 483 U.S. 522, 535 (1987) (citation omitted). And the statutory restrictions on the marks that may be registered leave respondent free to use

whatever words he wishes to identify and promote his services.

Respondent's assertion (Br. 36) that "the disparagement clause regulates only the expressive component of trademarks, never the commercial component," gets the matter exactly backwards. Federal registration is advantageous principally because it assists the mark owner in obtaining redress from infringers. See p. 7, *supra*; Resp. Br. 19-20. Respondent asserts a First Amendment right not simply to government assistance, but to government assistance in suppressing his competitors' speech. Denial of registration renders those *commercial* advantages unavailable, but it does not impair the mark owner's ability to *use* the mark for his own expressive purposes.

4. Respondent contends (Br. 15-19) that Section 1052(a) discriminates on the basis of viewpoint. But Section 1052(a)'s disparagement provision is "not an effort to suppress expression merely because public officials oppose the speaker's view." *Perry Educ. Ass'n* v. *Perry Local Educators' Ass'n*, 460 U.S. 37, 46 (1983). Marks that disparage Democrats and marks that disparage Republicans, for example, are equally unregistrable. Congress permissibly chose not to encourage adoption of "disparag[ing]" terms as trademarks, 15 U.S.C. 1052(a), just as Congress previously chose not to fund art inconsistent with "general standards of decency and respect for the diverse beliefs and values of the American public," *National Endowment for the Arts* v. *Finley*, 524 U.S. 569, 572 (1998) (quoting 20 U.S.C. 954(d)(1)), and just as the State of Texas declined to issue specialty license plates that "might be offensive to * * * the public." *Walker*, 135 S. Ct. at

2245 (quoting Tex. Transp. Code Ann. § 504.801(c) (West Supp. 2015)).

Respondent contends (Br. 16) that Section 1052(a) turns on viewpoint because it permits registration of marks that "express a positive or neutral view of a person," but not those that "express a negative view." But Section 1052(a) does not "disfavor[] * * * one side of a debate," *ibid.*, since no side may register racial epithets or personal insults. The Court made this point in *R.A.V.* v. *City of St. Paul*, 505 U.S. 377 (1992), when it explained that a statute prohibiting the use of "odious racial epithets" by "proponents of all views" would not discriminate based on viewpoint. *Id.* at 391. Relying on *R.A.V.*, the First Circuit concluded that limiting disparaging transit advertisements was not a viewpoint-based "attempt[] to give one group an advantage over another in the marketplace of ideas." *Ridley* v. *Massachusetts Bay Transp. Auth.*, 390 F.3d 65, 91 (1st Cir. 2004); see *American Freedom Def. Initiative* v. *Massachusetts Bay Transp. Auth.*, 781 F.3d 571, 574 (1st Cir. 2015), cert. denied, 136 S. Ct. 793 (2016).

Respondent notes (Br. 17-18) that Section 1052(a) is not limited to racial epithets; that the Court in *R.A.V.* did not actually rule on the constitutionality of a ban on racial epithets; and that libel and fighting words are unprotected speech. But respondent offers no affirmative reason that treating disparaging trademarks as categorically unregistrable should be equated, for First Amendment purposes, with attempts to suppress disfavored messages. Instead, it is similar to the FCC's decision to limit the use of profanities on the radio, see *FCC* v. *Pacifica Found.*, 438 U.S. 726, 743-745 (1978), or to Vermont's decision not to allow scatological terms on vanity license plates, *Perry* v. *McDonald*, 280 F.3d

159, 170 (2d Cir. 2011), both of which were viewpoint-neutral. Any concern that Section 1052(a) might "drive certain ideas or viewpoints from the marketplace," *Simon & Schuster*, 502 U.S. at 116, is further alleviated by the fact that the disparagement provision does not limit speech at all, but simply renders unavailable the additional benefits that attend federal registration. See Gov't Br. 43-44.

C. The Trademark-Registration Program Is Facially Constitutional, Like Other Government Programs This Court Has Upheld

1. This Court has frequently upheld eligibility criteria for government programs that have the effect of encouraging speech, on the theory that the government has broad (though not unlimited) authority to "selectively fund a program to encourage certain activities it believes to be in the public interest." *Rust*, 500 U.S. at 193; see Gov't Br. 14-19. Because "a legislature's decision not to subsidize the exercise of a fundamental right does not infringe the right," the Court has rejected the view that "strict scrutiny applies whenever Congress subsidizes some speech, but not all speech." *Regan* v. *Taxation With Representation of Wash.*, 461 U.S. 540, 548-549 (1983).

Respondent argues (Br. 25-31) that this principle is inapposite here because the present case does not fit neatly within any one of the doctrinal boxes this Court's precedents have identified. But the Court has treated those doctrinal categories as reflecting an overarching principle that the government ordinarily has no obligation to *assist* private speakers. Thus, the Court has relied on a decision involving direct financial benefits in a case about a different form of government assistance (the provision of a payroll-deduction mechanism), see

Ysursa, 555 U.S. at 358 (citing *Regan*, 461 U.S. at 549); and on a financial-subsidy decision in a case implicating government-speech interests, see *Walker*, 135 S. Ct. at 2246 (citing *Rust*, 500 U.S. at 194). And while the Court initially described *Rust* as a case involving "subsidies," 500 U.S. at 192, it later characterized *Rust* as also implicating "governmental speech," *Legal Servs. Corp.* v. *Velazquez*, 531 U.S. 533, 541 (2001)—underscoring that fundamental principles, not neat doctrinal boxes, drive the Court's analysis.

When the Court has analyzed a new government program that selectively assists speech, it has begun with the overarching principle that failure to assist speech does not abridge speech and has then evaluated the challenged program on its own terms. See Gov't Br. 15-19. Deciding this case in the government's favor thus does not require breaking new doctrinal ground or addressing any other programs; it requires applying well-settled principles to the particular program at issue.[3]

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[3] Respondent's reliance (Br. 39-40) on *United States* v. *Stevens*, 559 U.S. 460 (2010), is misplaced. The law at issue in *Stevens* did not simply deny government assistance; it "criminalize[d] the commercial creation, sale, or possession of certain depictions of animal cruelty." *Id.* at 464 (citing 18 U.S.C. 48). In holding the statute unconstitutionally overbroad, see *id.* at 481-482, the Court disavowed any "freewheeling authority to declare new categories of speech outside the scope of the First Amendment," *id.* at 472. This case, by contrast, does not involve any prohibition on speech; and the government does not contend that respondent's use of the term THE SLANTS to identify his band is "outside the scope of the First Amendment." Rather, our argument is that, under "the general rule that the Government may choose not to subsidize speech," *Rust*, 500 U.S. at 200, respondent's speech is not "abridge[d]" by the government's refusal to assist it, *Ysursa*, 555 U.S. at 355 (citation omitted). Nothing in *Stevens* suggests that this fundamental First

2. The federal trademark-registration criteria are like other program criteria that have satisfied First Amendment scrutiny. The registration program defines eligibility for a form of government assistance; the eligibility criteria further Congress's policy preferences; and the government assistance depends only on the nature of the trademark the applicant seeks to register, not on the speech or other activities of mark owners outside the program. See Gov't Br. 35-37.

Respondent offers no sound basis for distinguishing the trademark-registration program from others this Court has upheld. A government program need not involve an "actual disbursement[] of funds" or its "equivalent" (Resp. Br. 26) to be analyzed as a form of selective assistance of speech: *Walker*, *Ysursa*, and *Davenport* v. *Washington Education Association*, 551 U.S. 177 (2007), all involved forms of assistance other than the direct provision of government money. See Gov't Br. 41. And the benefits that trademark registrants obtain follow directly from the resources the government invests in administering the program. See p. 7, *supra*; Gov't Br. 27-28; see also Pet. App. 94a (Dyk, J., concurring in part and dissenting in part).

3. Contrary to respondent's contention (Br. 31-35), this case squarely implicates the distinct concerns that underlie this Court's government-speech jurisprudence. Respondent asserts (Br. 31) that registration of a trademark "does not convert the trademark into government speech." It is true that, even after a mark is registered, the owner's placement of the mark on goods or advertisements in commerce is private rather than government speech. But registration *also* causes the

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Amendment principle is limited to the specific forms of government assistance that the Court has previously had occasion to analyze.

mark to be placed on the PTO's Principal Register or Supplemental Register and on certificates of registration, which are communicated to foreign governments. This incorporation of marks into official government documents and records is not an incidental feature of the trademark-registration program; it is how the program works.

Respondent argues (Br. 32-34) that government-speech principles are inapplicable because trademarks are chosen by their owners and are neither intended nor understood to communicate any governmental message. The Court in *Walker*, however, applied government-speech principles to a similar hybrid communication, holding that a private organization had no First Amendment right to have a design of its own choosing reproduced on specialty license plates produced and issued by the State of Texas. 135 S. Ct. at 2246-2253. The federal government has an analogous interest in resisting the incorporation of racial slurs and other disparaging language into its own communications. See Gov't Br. 37-41; see also *Perry*, 280 F.3d at 169 ("The state has a legitimate interest in not communicating the message that it approves of the public display of offensive scatological terms on state license plates.").

4. Contrary to respondent's contention (Br. 30-31), Section 1052(a) does not impose an unconstitutional condition on speech. A condition on participation in a government program is impermissible when it "seek[s] to leverage funding to regulate speech outside the contours of the program itself," rather than "defin[ing] the limits of" the program. *Agency for Int'l Dev.* v. *Alliance for Open Soc'y Int'l, Inc.*, 133 S. Ct. 2321, 2328 (2013). Section 1052(a) limits the range of marks that

may be registered, but it does not prevent owners of registered trademarks from engaging in any other type of speech. See Gov't Br. 31-34; Law Professors (Farley) Amicus Br. 20-29.

5. Respondent contends (Br. 26-28, 33-34) that, if Section 1052(a)'s disparagement provision is held to be constitutional, the government could deny copyright protection to works based on their content. That is incorrect. If Congress barred the U.S. Copyright Office from registering copyrights in particular types of creative works, the First Amendment analysis would depend in part on the precise legal consequences that denial of registration entailed and on the justifications offered for the ban. But in conducting that analysis, a court would take account of the different purposes that trademark and copyright laws have historically served, and of the special role that copyright has historically played in facilitating free expression.

There is a significant difference between a trademark, which is a source identifier for goods and services to facilitate commerce, 15 U.S.C. 1051, 1127; *San Francisco Arts & Athletics, Inc.*, 483 U.S. at 535, and a copyright, which protects expression itself, *i.e.*, "original works of authorship fixed in a[] tangible medium of expression," 17 U.S.C. 102. Trademarks by their nature serve to identify the sources of goods or services in commerce. By contrast, this Court has described copyright law as "the engine of free expression" and has explained that, "[b]y establishing a marketable right to the use of one's expression, copyright supplies the economic incentive to create and disseminate ideas." *Eldred* v. *Ashcroft*, 537 U.S. 186, 219 (2003) (citation omitted).

Because copyrighted creative works are *themselves* the goods that the author seeks to market, rather than simply source identifiers for such goods, content-based limits on copyright registrability (or on copyright protection) likely would have much more significant impacts on protected expression than analogous limits in the trademark-registration context. That would be particularly true if eligibility for copyright registration could be refused based on a portion of a much longer work, rather than on the work as a whole. Cf. *Miller* v. *California*, 413 U.S. 15, 24 (1973) (explaining that whether a work is obscene depends on an analysis of the work "as a whole"). And while significant content-based restrictions on registrability have long been a feature of federal trademark law, see p. 6, *supra*, those provisions lack any meaningful analogue in past or present copyright statutes. Cf. *Rust*, 500 U.S. at 199-200 (discussing significance of traditional practices in identifying exceptions to "the general rule that the Government may choose not to subsidize speech"). Nothing in the government's position here would prevent those differences from being taken into account in conducting First Amendment analysis of a (hypothetical) Act of Congress that barred registration of copyrights in "disparaging" works.

6. Respondent's apparent view is that, so long as he has a First Amendment right to *use* particular words or images to market his products, the PTO cannot refuse to register those words or images as trademarks, at least on the ground that they are disparaging or otherwise offensive. Under that approach, the federal government would be required to register and prepare certificates for transmittal to foreign nations of marks that include words widely regarded as the most offensive

terms for African-Americans, women, or gay people; offensive racial and ethnic caricatures; religious insults and demeaning pictures of religious figures; and marks that disparage foreign nations. See, *e.g.*, Pet. App. 101a (Dyk, J., concurring in part and dissenting in part); Blackhorse Amicus Br. 21-22; Members of Congress Amicus Br. 7-8.

Respondent's arguments also apply to the other content-based distinctions in Section 1052(a), including the ban on registration of "scandalous" marks, which the PTO invokes to refuse registration of profanities and sexual imagery. See Gov't Br. 23 n.6 (discussing *In re Brunetti*, Serial No. 85310960, 2014 WL 3976439, at *4-*6 (T.T.A.B. Aug. 1, 2014) (non-precedential opinion), appeal pending, No. 15-1109 (Fed. Cir. docketed Oct. 28, 2014)). In respondent's view, the PTO is constitutionally required to register and transmit marks containing all variety of profanities, as well as sexual images and pictures of genitalia. See, *e.g.*, *McGinley*, 660 F.2d at 486. Such an approach would unreasonably deprive the federal government of the flexibility, in administering a program designed to facilitate commerce, to decline to encourage (or to associate itself with) the use of profanities and offensive sexual images as source identifiers.

D. Respondents' Statutory-Construction And Vagueness Arguments Lack Merit

Respondent contends (Br. 41-59) that his own mark is not covered by Section 1052(a)'s disparagement provision, and that the provision is unconstitutionally vague. Those arguments lack merit.[4]

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[4] At the certiorari stage, respondent raised several arguments in addition to its First Amendment argument. See Br. in Opp. 13-21, 30-33. The government noted that respondent had not raised one of

1. Respondent contends (Br. 42-46) that the PTO uses the wrong standard for finding a mark "disparag[ing]" under Section 1052(a). But respondent acknowledges that his own mark is a "derogatory reference to Asian-Americans," and he characterizes it as a racial "slur" that he wishes to "reappropriat[e]." Br. 2, 13, 43. The en banc court of appeals likewise recognized that substantial evidence supported the PTO's finding that respondent's mark "is disparaging." Pet. App. 12a n.3. Respondent did not challenge the PTO's test below, see Cert. Reply Br. 6, and he does not propose any different test for determining whether a mark is disparaging.

In any event, the PTO's two-part test reflects a permissible interpretation of the statute. See *Chevron U.S.A. Inc.* v. *NRDC, Inc.*, 467 U.S. 837, 843-844 (1984). The PTO first determines the meaning of a mark, then asks whether that meaning is disparaging to a substantial composite of the referenced group. Pet. App. 171a-172a; see *In re Geller*, 751 F.3d 1355, 1358 (Fed. Cir. 2014), cert. denied, 135 S. Ct. 944 (2015). That objective approach is consistent with Section 1052(a)'s text, which focuses on the "matter" for which registration is sought, not on the state of mind of the would-be registrant. 15 U.S.C. 1052(a).

Respondent asserts (Br. 42) that the PTO evaluates "marks in isolation, shorn of context." But while the PTO

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his statutory-construction arguments below and recommended that, if the Court wished to address that issue, it should explicitly request briefing on the question presented when it granted certiorari. See Cert. Reply Br. 9. The Court granted certiorari without requesting briefing on any question other than the First Amendment issue decided below and raised in the certiorari petition. See 137 S. Ct. 30 (2016).

does not consider the would-be registrant's intent in using the mark, the agency considers not only definitions of the challenged element, but also "the relationship of [that element] to the other elements in the mark, the nature of the goods or services, and the manner in which the mark is used in the marketplace in connection with the goods or services." *In re Lebanese Arak Corp.*, 94 U.S.P.Q.2d 1215, 2010 WL 766488, at *3 (T.T.A.B. Mar. 4, 2010). Respondent also complains that the PTO looks to the views of a "substantial composite" of the referenced group to determine if particular matter is disparaging. Br. 45 (citation omitted). But that is an objective, reasonable way to ascertain whether a term is disparaging.

2. Respondent further argues (Br. 46-53) that Section 1052(a)'s disparagement provision applies only to marks including matter that disparages "natural and juristic persons," not groups of people. Respondent did not present that argument to the Trademark Trial and Appeal Board or to the court of appeals, and he identifies no court that has decided the issue. See *Cutter* v. *Wilkinson*, 544 U.S. 709, 718 n.7 (2005) ("[W]e are a court of review, not of first view.").

Section 1052(a) refers to a mark containing matter that disparages "persons, living or dead, institutions, beliefs, or national symbols." 15 U.S.C. 1052(a). That language easily encompasses the mark at issue here, since a mark that refers disparagingly to Asians as a group disparages "persons." And Congress would have no evident reason to preclude registration of a mark that insults a single Asian-American on account of his ancestry, while allowing registration of a mark that insults all Asian-Americans. If Congress had intended

that result, it could have used the term "a particular individual" or similar language, as it did two paragraphs later in the statute, when it prohibited registration of a mark that consists of "a name, portrait, or signature identifying a *particular living individual.*" 15 U.S.C. 1052(c) (emphasis added).

Respondent premises his argument (Br. 46-47) on the statutory definition of "person," which states that "[t]he term 'person' * * * *includes* a juristic person as well as a natural person." 15 U.S.C. 1127 (emphasis added). That definition encompasses artificial entities like corporations, but it does not render the disparagement provision inapplicable to marks that disparage groups of natural persons. The PTO's construction makes particular sense in the context of the disparagement provision as a whole, which refers to disparagement of "persons, living or dead, institutions, beliefs, or national symbols." 15 U.S.C. 1052(a). Congress's inclusion of "institutions," "beliefs," and "national symbols" makes clear that the provision is not limited to marks that disparage individual persons. And it would make little sense to preclude registration of the mark THE REPUBLICAN PARTY IS EVIL (Resp. Br. 47) while allowing registration of the mark REPUBLICANS ARE EVIL.

3. Finally, respondent contends (Br. 54-59) that Section 1052(a)'s disparagement provision is unconstitutionally vague. But Section 1052(a) is not vague as to respondent; he acknowledges that the term "slants" (when used in reference to Asians) is disparaging, though he asserts an intent to "reappropriat[e]" the mark. *Id.* at 2, 13, 43. Because his mark is clearly covered, respondent "cannot complain of the vagueness of

the law as applied to the conduct of others." *Holder* v. *Humanitarian Law Project*, 561 U.S. 1, 18-19 (2010).

For more difficult cases, the PTO looks to the settled legal meaning of the word "disparage" in Section 1052(a). Under the PTO's two-part test, a disparaging mark is one that "slight[s], deprecate[s], degrade[s], or affect[s] or injure[s] by unjust comparison." *Geller*, 751 F.3d at 1358 (citations omitted; brackets in original). Because the PTO uses an objective, established test for disparagement, the contours of which have been explored and elaborated in published administrative and judicial decisions, the public has fair notice as to the standards for, and evidence relevant to, determining which marks are unregistrable. Respondent has not provided any alternative standard for identifying "disparag[ing]" marks; his view is that Congress cannot limit registration of marks comprised of racial epithets, religious insults, and profanities at all.

The existence of close cases at the margins provides no sound basis for declaring the provision facially invalid. Because Section 1052(a) does not prohibit speech or impose any civil or criminal penalties, but simply confers benefits on owners of marks that satisfy the statutory criteria, the vagueness standard is relaxed. See *Finley*, 524 U.S. at 588-589; see also *id.* at 599 (Scalia, J., concurring in the judgment). Under that relaxed standard, the Court has upheld even criteria that are "undeniably opaque," *id.* at 588-589—which Section 1052(a) is not.

Citing instances in which superficially similar marks were treated differently during registration, respondent argues (Br. 57-58) that Section 1052(a) is arbitrarily enforced. But analysis of whether a mark is disparag-

ing requires consideration of the mark's meaning in relation to the particular goods and services for which registration is sought and the context in which the mark is used. See *Boulevard Entm't, Inc.*, 334 F.3d at 1341-1343. And respondent has not identified any instance where the PTO has used its standard to favor a particular viewpoint.

In any event, the PTO examines more than 300,000 trademark applications each year. If an individual PTO employee improperly registers (or refuses to register) a mark, that error "do[es] not bind the USPTO to improperly register" or refuse to register similar marks in the future. *In re Shinnecock Smoke Shop*, 571 F.3d 1171, 1174 (Fed. Cir. 2009), cert. denied, 558 U.S. 1149 (2010). Congress has authorized administrative and judicial review to ensure that such errors may be corrected, see 15 U.S.C. 1070, 1071, and if they are not, Congress has authorized cancellation of erroneous registrations on Section 1052(a) grounds "[a]t any time," 15 U.S.C. 1064. Those provisions reflect Congress's recognition that registration errors occasionally occur. Thus, even if respondent could identify a clear inconsistency between particular registration decisions, there would be no sound basis for concluding that Section 1052(a)'s disparagement provision is incapable of principled application.

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For the foregoing reasons and those stated in our opening brief, the judgment of the court of appeals should be reversed.

Respectfully submitted.

IAN HEATH GERSHENGORN
Acting Solicitor General

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